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SENSITIVE

SIPDIS

PLEASE PASS TO H FOR SENATOR JOHN KERRY

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TAGS: [AFIN](#) [AMGT](#) [ASEC](#) [OREP](#) [PGOV](#) [PREL](#) [GM](#)

SUBJECT: SCENESETTER FOR SENATOR JOHN KERRY, CHAIRMAN OF  
THE SFRC, TO MUNICH, 6-8 FEBRUARY

Sensitive but Unclassified

¶1. (U) Mission Germany is delighted to welcome you to Munich for the 45th Munich Security Conference (MSC). The high profile U.S. delegation is eliciting extreme interest from the MSC's international participants, among them more than 70 heads of state or government, and foreign and defense ministers -- the most illustrious line-up in the Conference's long history.

¶2. (U) The profile of the MSC continues to rise under Wolfgang Ischinger's leadership, and a European and global media audience (in broadcast and print as well as YouTube) will be eager for insights into the U.S international security agenda with a new Administration and Congress. With the April 3-4 NATO Summit in Strasbourg and Kehl (Germany) only two months away, there will also be a keen interest in the U.S. vision for the Transatlantic Alliance (and for U.S.-EU relations).

¶3. (SBU) Political Overview: Germany increasingly is looking toward to the next federal election, which will take place on September 27, 2009. Chancellor Merkel remains highly popular, and polls show that her Christian Democrats (CDU) and their Bavarian sister party (the Christian Social Union -- CSU) currently enjoy narrowly enough support to enable them to form a center-right coalition with the Free Democrats (FDP). Another "Grand Coalition" (CDU/CSU and the Social Democratic Party -- SPD), however, is also a possible coalition outcome. The SPD -- the junior partner in the Grand Coalition -- is polling at a post-war nadir, with numbers in the 23-26 percent range, and must contend with the rising popularity of the relatively new Left Party. The Left Party is focused primarily on returning the welfare state and advocates an isolationist foreign policy that would undermine the transatlantic relationship. The Chancellor and her CDU hold an imposing lead in the polls over Steinmeier and the SPD. Some observers believe that Steinmeier is trying to associate himself in the public eye with the new U.S. Administration to boost his popularity.

¶4. (SBU) Russia: Germany's extensive diplomatic, energy, and business ties with Moscow make it an important partner in meeting the challenge of Russia's renewed assertiveness in its neighborhood and beyond. Germany views itself as a bridge between Russia and the West because of historical ties and economic interdependence. While recognizing that Russia often tries to divide the West through, for example, policies such as President Medvedev's proposal for a new European security architecture, Germany highlights the need to engage with Russia and maintain open channels of communication, such as through the NATO Russia Council. Germany will continue to highlight the significance of joint U.S.-Russian disarmament initiatives, and preserving but reforming the CFE Treaty.

¶5. (SBU) Afghanistan: This is one of the topics that will dominate the conference. Germany agrees that success in Afghanistan is essential, and the Chancellor has called it a litmus test for NATO. Germans will be hoping to better understand the timing and direction of any changes in U.S. policy. Germany is unlikely to raise its 4,500-troop limit this year, but can do more on the civilian side and on training security forces.

¶6. (SBU) Iran: Germany has supported U.S. efforts to increase pressure on Iran, including through UNSC sanctions. Germany is eager to learn more about how the U.S. will approach Iran, preferring diplomacy and dialogue, while enforcing non-negotiable expectations of Tehran: no support for terrorism and violence in the region, and no nuclear weapons. Germany supports the IAEA's inspection regime and is committed to Israel's security.

¶7. (SBU) NATO Summit (April 2009): Participants will be focused not only on celebrating NATO's 60th anniversary but on defining and discussing NATO's core mission in a "Declaration on Alliance Security." Other topics for discussion will include how to deal with Russia and NATO-Russia relations, missile defense, and Afghanistan. The Summit will represent an opportunity to encourage Germany to resume a leading role in a 21st Century NATO confronting challenges globally.

¶8. (SBU) Economic Crisis: Germany is experiencing its worst recession since World War II, with its export-dependent economy expected to shrink by over two percent and unemployment on the rise. In October 2008, the government created a 500 billion euro rescue fund to shore up German

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banks and approved a 12 billion euro stimulus plan in November. Parliament is currently debating a second stimulus package worth 50 billion euros over two years. Germany has resisted French proposals for a European or international regulator, though Merkel recently proposed creating a World Economic Council under UN auspices. The Chancellor's consensus-seeking approach has made it difficult for her rival Steinmeier to carve an independent niche within the economic debate. Polls indicate Germans approve of Merkel's approach.

¶9. (SBU) Energy Security/Climate: The Russian gas cut-off undermined the faith of German officials in Russia as a reliable energy provider. Germany is now more receptive to the need to approach the issue of energy security on a Europe-wide level. Linking the need for reliable and diverse sources of energy to the Administration's climate change initiatives (which are very popular in Germany) may lay the groundwork for effective cooperation with Merkel's government.

¶10. (SBU) Mission Germany and I look forward to welcoming you in Munich and to supporting you during the Munich Security Conference.  
Koenig